



Global Information Reporting

30 March 2014

Recent Information Reporting Developments

The following are recent developments related to FATCA and other US and non-US Information Reporting requirements. For further information, please contact a member of PwC's [Global Information Reporting network](#).

1. Final Form W-8BEN-E Released

The IRS released on 28 March 2014 the W-8BEN-E, Certificate of Status of Beneficial Owner for United States Tax Withholding and Reporting (Entities). The W-8BEN-E is the most recent of the W-8 forms to be finalized by the IRS. There are no instructions, so this form cannot be used yet. This will remain to be the case until instructions are published by the IRS. Entities that need to provide a Form W-8BEN today still need to use the prior version of the form. This will remain to be the case until instructions are published by the IRS. However, the form is provided now in part to enable certain system changes that must be made to accommodate FATCA.

The W-8BEN-E can be accessed by following [this link](#).

2. IGA signed with Luxembourg

The US on 28 March 2014 signed a Model 1 Intergovernmental Agreement (IGA) with Luxembourg. The agreement provides for the reciprocal exchange of information between the US and Luxembourg. The announcement by the Luxembourg Finance Ministry can be accessed by following [this link](#). The text of the IGA has not been released. PwC will publish a newsbrief commenting on the Luxembourg - US IGA after the text of the agreement is released.

For additional information, please see

- The [PwC IGA Monitor](#)
- The US Treasury [FATCA Resource Center](#)

3. EU Savings Directive Adopted

On 24 March 2014 the European member states adopted the revised EU Savings Directive. The EU Savings Directive requires EU member states to exchange information automatically as to enable interest payments made in one member state to residents of the other member states to be taxed in accordance with the laws of the state of tax residence. In turn, the member states require paying agents in their country to annually report to their local tax authority the information on interest payments made to residents of the other member states.

The text enlarges the scope of directive 2003/48/EC, reflecting changes to savings products and developments in investor behavior since it came into force in 2005. The scope now covers new types of savings income and products that generate interest or equivalent income. It includes life insurance contracts, as well as a broader coverage of investment funds. Tax authorities, using a "look-through" approach, will be required to take steps to identify who is

benefiting from interest payments. The changes mean that insurance companies will have to start reporting under the EU Savings Directive where that is currently not the case.

The member states will have until 1 January 2016 to adopt the national legislation necessary to comply with the directive.

The Commission noted that banks will not face any unnecessary charges because it feels that a single coherent and consistent model for Automatic Exchange of Information is required. The Commission is therefore awaiting the final draft of the OECD Common Reporting Standard Commentary, so it can change the EU directive on administrative cooperation where necessary to avoid EU rules duplicating the OECD standard.

The original press release and related documents can be found by following [this link](#).

4. G5 and OECD release timetable for the exchange of information in tax matters

On 19 March 2014, the 44 countries that previously agreed to become early adopters of a global standard for the automatic exchange of information between tax authorities developed by the OECD (the Common Reporting Standard) announced a timetable for the implementation of those standards. The first exchange of information should take place in 2017 and should apply to the following:

- An expanded adoption process for new account holders will be necessary for opening accounts starting 1 January 2016.
- The due diligence procedures for identifying high-value preexisting individual accounts should be completed by 31 December 2016, while the due diligence for low-value preexisting individual accounts and for entity accounts should be completed by 31 December 2017.
- The first exchange of information in relation to new accounts (those opened from January 2016) and preexisting individual high-value accounts should take place by the end of September 2017. Information about preexisting individual low-value accounts and entity accounts should first be exchanged by either the end of September 2017 or September 2018, depending on when financial institutions identify them as reportable accounts.

The Finance Ministers of the G5 countries value the agreed upon time schedule as an important milestone, which should significantly improve the ability to prevent tax evasion. At the same time, the Finance Ministers call on other countries and jurisdictions to commit to join this initiative at the earliest opportunity with the aim of rapidly creating a truly global system of automatic information exchange and leaving no hiding places for tax evasion.

The Finance Ministers noted that the new global standards as well as the agreed upon time schedule should be implemented into EU Law by the end of 2014.

The joint statement by the “early adopters group” can be found at the links below:

- [Joint statement by the OECD and 44 countries](#)
- [G5 Statement on the global standard for automatic exchange of tax information](#)

5. Updates to FATCA forms and instructions

The table below lists the status of FATCA-related forms and instructions. Links are included when available.

The only change to the list since the last update is the final Form W-8BEN-E. The list will be updated and recirculated as additional forms are released by the IRS.

Purpose	Form w/ link	Title	Status
Reporting	2014 Form 1042 • Instructions not released	Annual Withholding Tax Return for U.S. Source Income of Foreign Persons	Final 2014-03-04
Reporting	2014 Form 1042-S • Instructions not released	Foreign Person's U.S. Source Income Subject to Withholding	Final 2014-03-07
Reporting	2013 Form 1042-S • Instructions not released	Foreign Person's U.S. Source Income Subject to Withholding	Final 2014-03-07
Reporting	2014 Form 8966 • Instructions	Foreign Account Tax Compliance Act (FATCA) Report	Final 2014-03-05
Registration	Form 8957 • Instructions	Foreign Account Tax Compliance Act (FATCA) Registration	Final 2013-08-18
Documentary Evidence	Form W-8BEN • Instructions	Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding and Reporting (Individuals)	Final 2014-03-03
Withholding Certificate	Form W-8BEN-E • Instructions not released	Certificate of Status of Beneficial Owner for United States Tax Withholding and Reporting (Entities)	Final 2014-03-28
Withholding Certificate	Form W-8ECI • Instructions	Certificate of Foreign Person's Claim That Income Is Effectively Connected With the Conduct of a Trade or Business in the United States	Final 2014-03-04
Withholding Certificate	Form W-8EXP • Instructions not released	Certificate of Foreign Government or Other Foreign Organization for United States Tax Withholding	Draft 2013-05-23
Withholding Certificate	W-8IMY • Instructions not released	Certificate of Foreign Intermediary, Foreign Flow-Through Entity, or Certain U.S. Branches for United States Tax Withholding	Draft 2013-08-26
Withholding Certificate	Form W-9 • Instructions	Request for Taxpayer Identification Number and Certification	Final 2014-01-24
Withholding Certificate	Form W-9 (SP) • Instructions	Solicitud y Certificación del Número de Identificación del Contribuyente	Final 2013-09-30

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